



## Battle Creek Historic District Commission

### Staff Report

Meeting: November 4, 2013

**To:** Historic District Commission

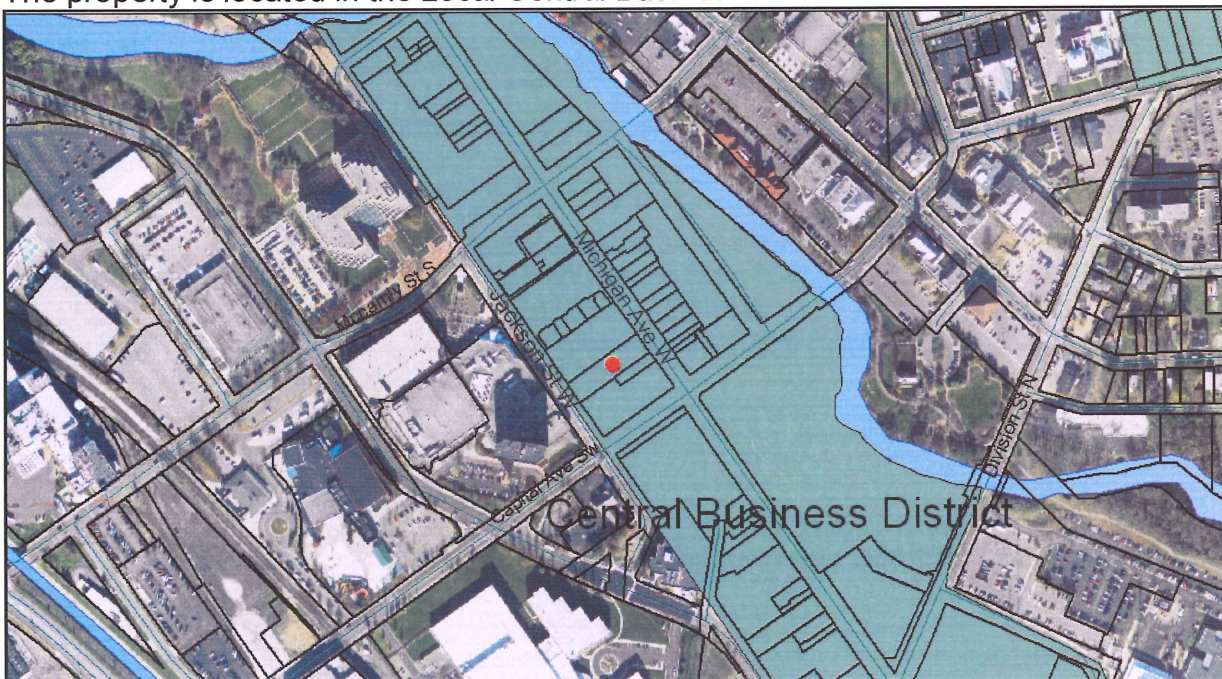
**From:** Glenn Perian, Senior Planner

**Date:** October 31, 2013

**Subject:** The petition filed by 25 Michigan Holdings LLC c/o 616 Development, and with the consent of the property owner, Calhoun County Land Bank Authority, is a request for a Notice to Proceed from the Historic District Commission to demolish the structure at 17 W. Michigan Avenue to make way for surface parking and future redevelopment as part of the rehabilitation of the neighboring property (The Heritage Tower), into a mixed use commercial and residential development that includes retail, reception/conference space, 43 hotel rooms, 62 apartments, and 55 underground parking spaces. The total projected capital investment for the project is approximately \$23.25 million.

**Site:**

The property is located in the Local Central Business Historic District.





## **Summary of Request**

The project involves the rehabilitation of the Heritage Tower building into a mixed use commercial and residential development. Demolition of the building on the adjoining 17 West Michigan Avenue parcel is necessary to facilitate construction of additional surface parking for Heritage Tower tenants. Specifically, the lower floors of the Heritage Tower will be converted into retail, reception/conference space, and boutique hotel rooms. The upper floors will be redeveloped into market-rate, loft apartments. Tenant parking will be created in the basement of the tower building. The Developer anticipates the reactivation of approximately 150,000 feet of usable space including 43 hotel rooms, 62 apartments, and 55 underground parking spaces. The total capital investment for the project will be approximately \$23.25 million.

## **Public Notice Requirements:**

Public notice has occurred as outlined under MCL Section 399.205 Section 5 (6)...*"the business that the commission may perform shall be conducted at a public meeting of the commission held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 of 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended."*

## **Applicable HDC Guidelines for Notice to Proceed to demolish the property at 17 W. Michigan Avenue:**

The request is to be reviewed in accordance with the City of Battle Creek Building and Housing Code Chapter 1470 "Historic Preservation", as amended, the Michigan's Local Historic Districts Act, as amended, and the criteria for the National Register of Historic Places as outlined in the Secretary of the Interior's Standards and Guidelines.

Generally, demolition of a structure will not comply with the standards outlined in the Secretary of Interior's Standards and Guidelines. However, in the event that these standards cannot be met, the State Act and local ordinance states that a Notice to Proceed **shall** be issued if any **one** of the following criteria, per Ch. 1470.09(e), as follows, is met:

***(e) Work within an Historic District shall be permitted through the issuance of a notice to proceed by the Commission if any of the following conditions prevail and if the proposed work can be demonstrated by a finding of the Historic District Commission to be necessary to substantially improve or correct any of the following conditions:***

***(1) The resource constitutes a hazard to the safety of the public or to the structures and occupants.***

***(2) The resource is a deterrent to a major improvement program that will be of substantial benefit to the community, and the applicant proposing the work has obtained all necessary planning and zoning approvals and financing and environmental clearances.***

***(3) Retaining the resource will cause undue financial hardship to the owner when a governmental action, an act of God or other event beyond the owner's control created the hardship, and all feasible alternatives to eliminate the financial hardship, which may include offering the resource for sale at its fair market value or moving the resource to a vacant site within the Historic District, have been attempted and exhausted by the owner.***

***(4) Retaining the resource is not in the interests of the majority of the community.***

**Analysis and Recommendation for Notice to Proceed:**

25 Michigan Holdings, LLC c/o 616 Development has provided an application for a Notice to Proceed to demolish the structure at 17 W. Michigan Ave. Information in the packet submitted includes; a statement of obsolescence for the building at 17 W. Michigan from the City Assessor, Steve Hudson; A preliminary cost estimate for construction and rehabilitation of approximately 6.2 million dollars for the building; A preliminary cost estimate for the demolition of 17 W. Michigan Ave. AND the proposed surface lot construction of \$456,000. A project summary stating plans for the Heritage Tower located at 25 W. Michigan which is adjacent to 17 W. Michigan Ave and part of the overall project. The plan encompasses a mix of commercial and residential uses including retail space, a reception/conference space, boutique hotel rooms, and market rate loft apartments.

The applicant states in the application:

*"This project is important to the City of Battle Creek and its citizens for the following reasons:*

- 1) The project will result in the rehabilitation of a blighted, obsolete, and underutilized Property located in the heart of downtown Battle Creek.*
- 2) The project demolition and construction activities will provide much needed work for area engineering and construction firms.*
- 3) Once complete, the operation of the Heritage Tower and the various businesses it will support is expected to add approximately 200 jobs with estimated wages ranging from \$10/hour to \$65/hour.*
- 4) The development is expected to attract additional commercial/retail operations to the downtown area, resulting in the continued revitalization of the downtown area and creation of additional jobs for the City.*
- 5) Additional usable commercial and residential space will be added in the downtown district, resulting in an increase of approximately \$5.6 million in the taxable value of the Property within one year after project completion, increasing the economic base for the City and its schools."*



Furthermore, it is our understanding from conversations with a local architect that the building is in poor structural condition. The proposed parking lot and any significant alterations to the tower will require HDC approval. The applicant is expected to be in attendance at the meeting to discuss the demolition and construction plans and answer any questions you may have.

While planning staff would prefer to see buildings rehabilitated, as outlined in the ordinance, the HDC **shall** approve a Notice to Proceed if at least **one** of the criteria has been met. It is your job to determine if the submitted application has met the test outlined in the ordinance for the HDC to grant a Notice to Proceed for the demolition of 17 W. Michigan Ave., as outlined in Chapter 1470 "Historic Preservation" and the Michigan Local Historic Districts.

**Based on the findings outlined in this staff report and details included in the application, rehabilitation of the building is cost prohibitive, the resource is a deterrent to a major improvement program proposed for 25 W. Michigan Avenue (the Heritage Tower) which will be of substantial benefit to the community, retaining the resource is not in the interests of the majority of the community, and the building may constitute a hazard to the safety of the public, adjacent structures and/or occupants. Therefore, planning staff is recommending that a Notice to Proceed be issued for the demolition of the building at 17 W. Michigan Avenue, in that the request meets standard #1, #2, and #4 outlined in Chapter 1470.09(e), "Review of Applications".**





JARED T. BELKA

616.752.2447  
FAX 616.222.2447  
jbelka@wnj.com

October 31, 2013

City of Battle Creek  
Department of Planning and Community Development  
77 E. Michigan Avenue, Ste. 204  
Battle Creek, Michigan 49017

Re: **Historic District Commission – Notice to Proceed Request for  
17 W. Michigan Avenue**

To Whom It May Concern:

I am writing on behalf of my client, 25 Michigan Holdings, LLC, a Michigan limited liability company, to request consideration of the enclosed Historic District Commission Application for a Notice to Proceed with demolition for the property located at 17 W. Michigan Avenue in downtown Battle Creek. The existing building is in disrepair and the request seeks approval to demolish the existing building and complete new site improvements for surface parking to support the proposed Heritage Tower redevelopment project.

Thank you for your time and consideration of this request. If I can provide any additional information or be of assistance, please do not hesitate to contact me directly at (616) 752-2447.

Very truly yours,

  
Jared T. Belka

Enclosure

c: Karl Dehn via e-mail  
Cheryl Beard via e-mail  
Derek Coppess and Matt O'Connor via e-mail

9413298



## City of Battle Creek

Department of Planning and Community Development

77 E. Michigan Avenue, Ste. 204 • Battle Creek, Michigan 49017 • (269) 966-3320

[www.battlecreekmi.gov](http://www.battlecreekmi.gov)

### HISTORIC DISTRICT COMMISSION

- ☐ Application for (check all that applies)  
☐ Certificate of Appropriateness (for repairs or rehab projects)  
☒ Notice to Proceed (for demolition requests)

Petition No. \_\_\_\_\_

Date Received: \_\_\_\_\_

#### APPLICANT\*\*

NAME: 25 Michigan Holdings, LLC c/o 616 Development

ADDRESS: 16 Monroe Center NE, Suite #200, Grand Rapids, MI 49503

PHONE: 616-430-4296 FAX: 616-504-1715

EMAIL: matt@616development.com with copy to jbelka@wnj.com

#### OWNER (if different from applicant)

NAME: Calhoun County Land Bank Authority

ADDRESS: 315 West Green Street, Marshall, MI 49068

PHONE: 269-781-0807 FAX: 269-781-8303

EMAIL: kedwards@calhouncountymi.gov

\*\*If the applicant is not the property owner, a letter signed by the owner agreeing to the application to the Historic District Commission must be included with the application.

#### SUBMITTAL REQUIREMENTS/EXISTING CONDITIONS

Address(es) of property for which the request is being sought: 17 W. Michigan Ave.

Current use of the property: vacant

List existing structures on the property and the approximate age of each. \_\_\_\_\_

A single 11,500 sq.ft. 4 story vacant commercial building. Built in 1920.

Please list all activities/proposed work for the property area and how the proposed work relates to the building as a whole.

Proposed work would be to demolish existing structure, create surface parking and  
redevelop the property in the future.



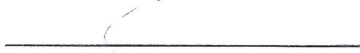



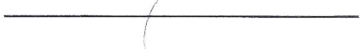
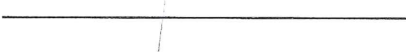


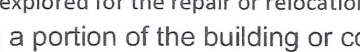
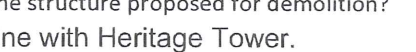
Indicate in which manner the proposed work will result in changes to the size and/or appearance of the features outlined in this application.

demolition of the existing structure is being proposed.

Does the work proposed include maintenance/repair of existing features of the structure, or will it create new features that do not currently exist?

no maintenance or repair. Creating new parking.

Please indicate the existing building materials of the following structural features and the proposed materials if that feature is included as part of the application.

	Existing Materials	Proposed Materials (if applicable)
Roof		
Windows		
Siding		
Foundation		
Other _____		

**For Notice To Proceed requests only:**

What options have you explored for the repair or relocation of the structure proposed for demolition?

Rehab or salvaging a portion of the building or combine with Heritage Tower.

Cost prohibitive

**SUBMITTAL REQUIREMENTS**

As outlined in "HDC, Information and Procedure", each request requires supplementary items that thoroughly describe the existing structure and proposed project. These items are to be submitted with the completed application; incomplete applications will not be forwarded to the Historic District Commission.

**APPLICANT SIGNATURE**

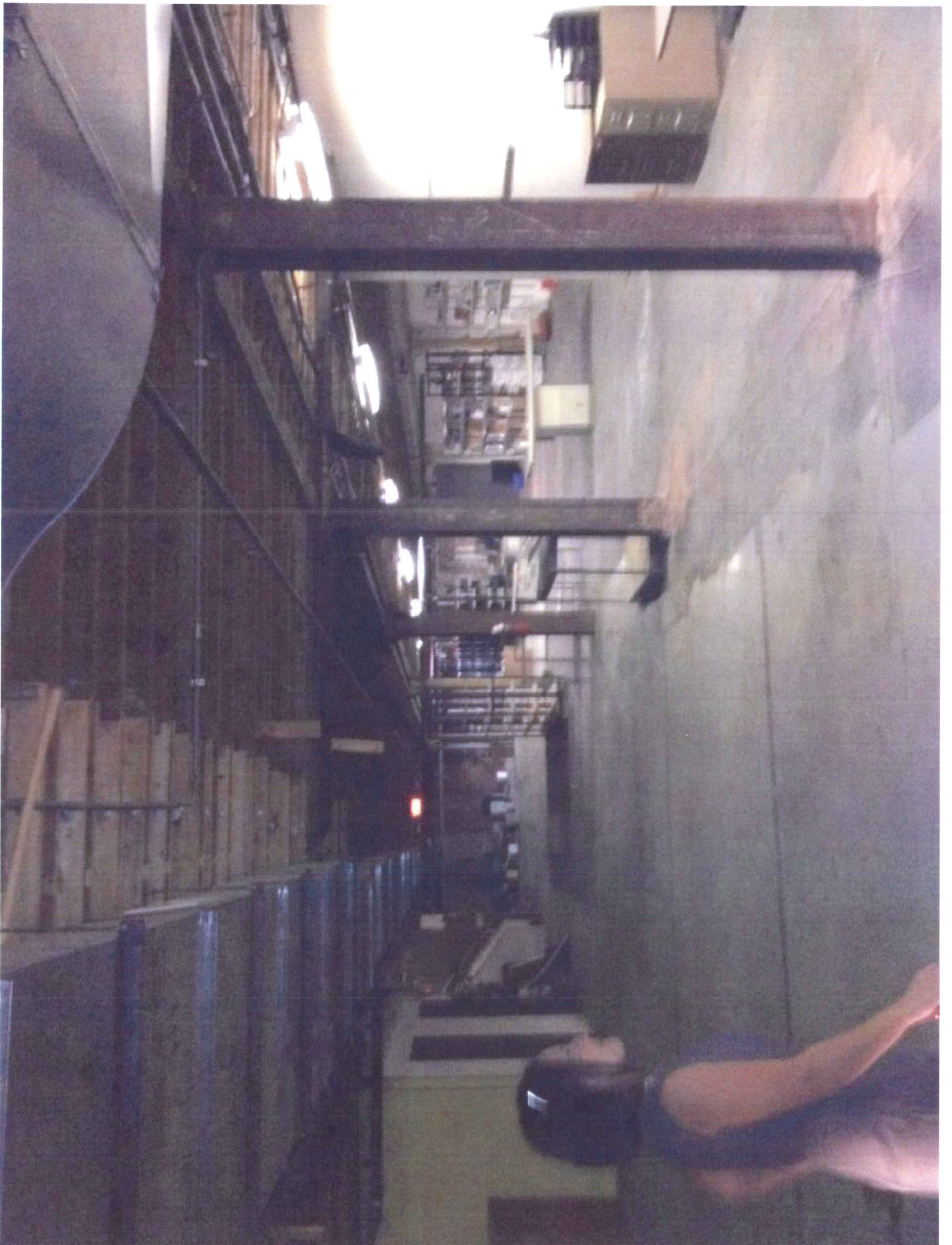
By signing this application, the applicant hereby declares that all answers given herein are true to the best of their knowledge, and confirms that all information required for Historic District Commission review has been submitted. Furthermore, the applicant confirms that they have thoroughly read the "Historic District Commission, Information and Procedures" and agrees to comply with all requirements and procedures outlined therein.

Name

Date

**INTERIOR PHOTOS OF EXISTING BUILDING**







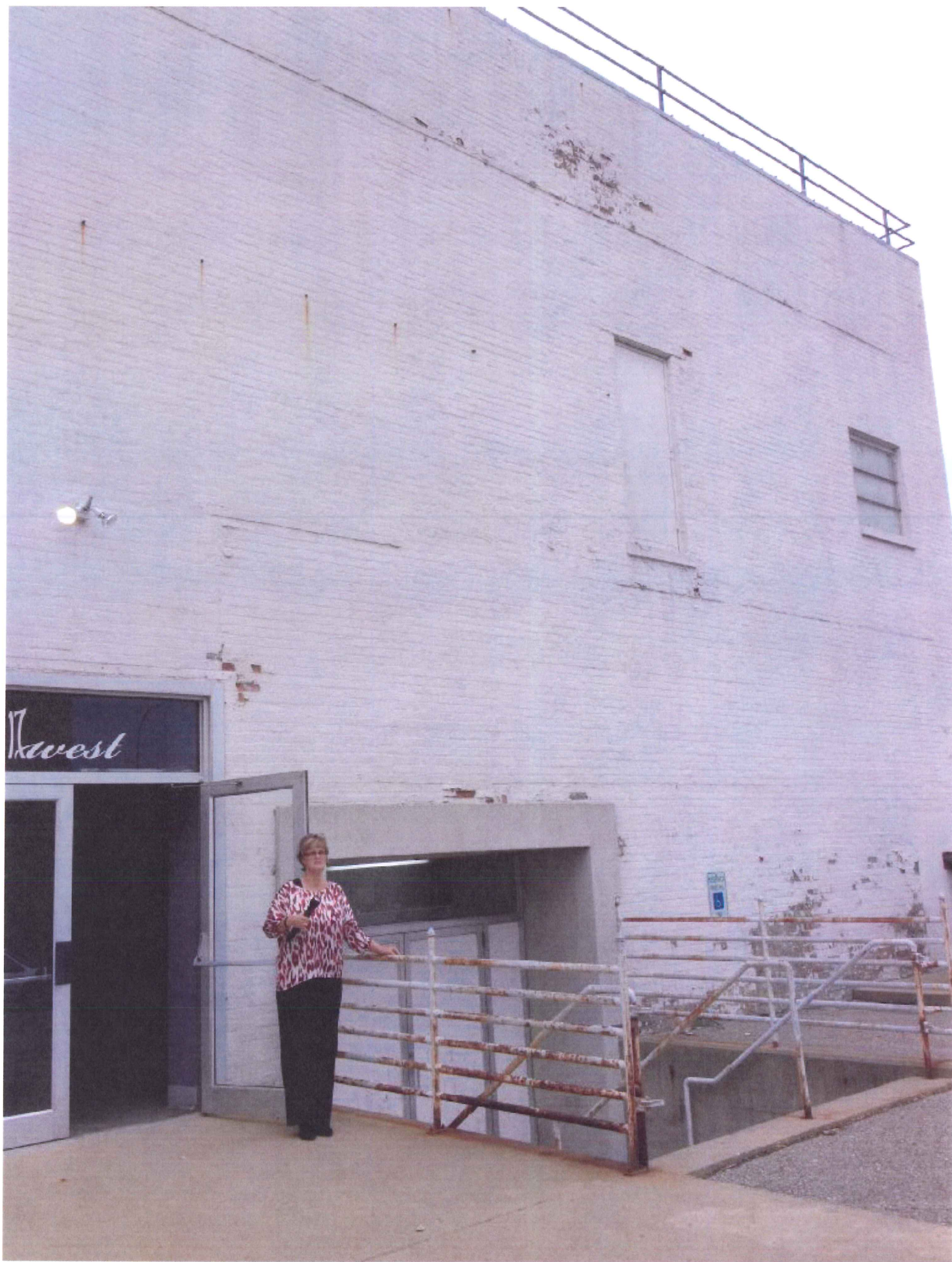






**EXTERIOR PHOTOS OF EXISTING BUILDING**









**COST ESTIMATES FOR REHABILITATION AND DEMOLITION COMPARISON**





**Project Name:** 269 Lofts - 17 W MICH  
**Project Address:** 17 West Michigan  
 Battle Creek, MI

**Estimate Date:** REV 8.21.2013  
**Estimator:** Craig Schroeder

41,719	Total Sq Ft
11,511	Basement
11,511	Main Floor - Retail/Commercial
11,511	2nd Flr - Commercial
7,186	3rd Flr - Commercial
Leasable SF:	41,719

### PRELIMINARY CONSTRUCTION COST ESTIMATING WORKSHEET

<b>Division 1 General Requirements</b>	\$	408,000
Design, Permits, Insurance, Testing, General Conditions		
<b>Division 2 Existing Conditions</b>	\$	437,300
Demolition, Asbestos Abatement		
<b>Division 3 Concrete</b>	\$	75,100
<b>Division 4 Masonry</b>	\$	353,800
<b>Division 5 Metals</b>	\$	437,600
<b>Division 6 Woods, Plastics and Composites</b>	\$	292,500
<b>Division 7 Thermal and Moisture Protection</b>	\$	195,300
<b>Division 8 Openings</b>	\$	339,200
<b>Division 9 Finishes</b>	\$	783,900
<b>Division 10 Specialties</b>	\$	20,900
<b>Division 12 Furnishings</b>	\$	124,800
<b>Division 14 Conveying Devices</b>	\$	495,700
<b>Division 21 Fire Suppression</b>	\$	218,600
<b>Division 22 Plumbing</b>	\$	236,600
<b>Division 23 Heating, Ventilating, and Air Conditioning</b>	\$	731,000
<b>Division 26 Electrical</b>	\$	659,600
<b>Division 32 Exterior Improvements</b>	\$	244,500
<b>Schematic Budget Allotment</b>	\$	201,100
<b>TOTAL CONSTRUCTION</b>	\$	6,255,500
		Total \$/Leasable SF
		\$ 149.94

This information is a preliminary in nature and for planning purposes, this is not a quote. Worksheet is based on preliminary plans, working drawings will produce a more accurate budget.

Respectfully Submitted:

  
 Craig S. Schroeder



4380 Brockton Dr. - Ste 1  
Grand Rapids, MI 49512  
O: 616.698.5000  
F: 616.698.0900

[www.firstcompanies.com](http://www.firstcompanies.com)



Project Name: **17 West Michigan Ave**

Project / Building Location: 17 W. Michigan  
Battle Creek, MI

SF	Area
17,587	Total Parking
17,535	Surface Parking
52	Spaces

### Schematic Cost Overview - Surface Lot

Date: July 11, 2013

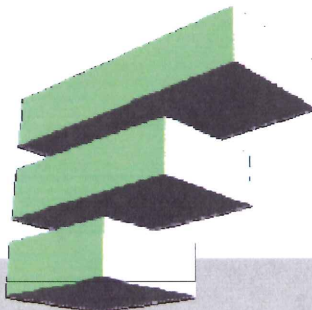
#### OPTION B: Surface Parking ONLY (52 spaces)

Description	Cost/Per	SF	Total
Demo Existing Structure	\$ 1.9	52,605	100,700
Asbestos Abatement - ALLOWANCE	\$ 1.5	52,605	78,900
Surface Lot - 52 Spaces	\$ 14.5	17,535	254,900
Schematic Budget Allotment	5%	430,000	21,500
PHASE 1: PARKING TOTAL CONSTRUCTION			\$ 456,000
		\$/ Space	\$ 8,769

**Notes...** This information is preliminary in nature and for planning purposes, this is not a quote. Worksheet is based on preliminary info, working drawings will produce a more accurate budget.

Respectfully Submitted:

Craig S. Schroeder



**Your Space, Our Business.**

**ASSESSOR LETTER OF FUNCTIONAL OBSOLESCENCE**



## STATEMENT OF OBSOLESCENCE FROM ASSESSOR

The vacant retail building at 17 West Michigan Avenue suffers from functional obsolescence and is no longer able to achieve its highest and best use as a modern retail building. The building was constructed in 1915 and remodeled in 1956 and 1979. The last remodeling occurred to the first floor and basement for a restaurant in 1999. The building consists of four floors with a full basement. The plumbing, electrical and mechanical systems are basically original and inefficient by today's standards. The plumbing and sewer lines are all cast iron and need to be replaced. The building has been vacant since 2002.

Roughly one half of the first floor consists of the old restaurant. It has a limited packaged heating and cooling system. The remaining first floor is basically unfinished except for the central entrance, two bathrooms and two elevators. One elevator is inoperable and has been walled over on the first floor. Parts have been taken from it to service the other elevator. This remaining floor area, including the bathrooms, does not have heat. The original boiler heating system has been removed from the building. The limited 1999 package heating and cooling system does not extend beyond the first floor.

The footprint of the first and second floor extends beyond the upper floors.

The second floor roof leaks and needs to be repaired. Electricity is available on this floor, but the controls are located in the basement. With the exception of the fire suppression system, there is no plumbing. The space is unfinished with bare walls.

With the exception of emergency exit lighting and the fire suppression system there is no electric or plumbing on the third floor. Flooring is missing from the southwest corner showing the exposed floor joists.

The fourth floor also has emergency exit lighting and the fire suppression system. There is no other plumbing. The exposed wood roof rafters have been charred by an earlier fire. The structural integrity of the roofing system needs to be determined.

The building does not have any insulation. The windows are at least 30 years old and need replacement. The exterior facade is pulling away from the front of the building. The east brick wall shows cracks and will need to be tuck pointed.



Steven M. Hudson, MMAO 4 Certificate No. 5563

June 19, 2013

**EXCERPT FROM BROWNFIELD PLAN FOR HERITAGE TOWER  
REDEVELOPMENT**



the definition of a “facility,” as defined in Section 20101 of Part 201 of the Natural Resources and Environmental Protection Act (NREPA), Public Act 451 of 1994, as amended. The following chemical constituents were measured in one or more soil and/or groundwater samples collected from the parcel at concentrations above MDEQ Part 201 Generic Residential Cleanup Criteria: tetrachloroethene, arsenic, copper, mercury, selenium, and zinc.

### **C. Project Summary**

The project involves the rehabilitation of the Heritage Tower building into a mixed use commercial and residential development, and demolition of the building on the adjoining 17 West Michigan Avenue parcel to facilitate construction of additional surface parking for Heritage Tower tenants. Specifically, the lower floors of the Heritage Tower will be converted into retail, reception/conference space, and boutique hotel rooms. The upper floors will be redeveloped into market-rate, loft apartments. Tenant parking will be created in the basement of the tower building. The Developer anticipates the reactivation of approximately 150,000 feet of usable space including 43 hotel rooms, 62 apartments, and 55 underground parking spaces. The total capital investment for the project will be approximately \$23.25 million.

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- 5) Additional usable commercial and residential space will be added in the City of Battle Creek’s downtown district, resulting in an increase of approximately \$5.6 million in the taxable value of the Property within one year after project completion, increasing the economic base for the City and its schools.

**LETTER OF SUPPORT AND AUTHORIZATION TO SUBMIT APPLICATION FROM  
CALHOUN COUNTY LAND BANK**





*"Strengthening Our Communities"*

Christine Schauer  
Chairperson  
[cschauer@calhouncountymi.gov](mailto:cschauer@calhouncountymi.gov)

October 30, 2013

City of Battle Creek Department of Planning & Community Development  
Attn: Historic District Commission  
77 E Michigan Avenue, Suite 204  
Battle Creek, MI 49017

RE: 25 Michigan Holdings LLC's (c/o 616 Development) application for the demolition of 17 W Michigan Avenue, Battle Creek

Dear Commission Members,

The Calhoun County Land Bank Authority holds the property at 17 W Michigan Avenue in a development agreement with Battle Creek Unlimited (BCU); the goal of this agreement is to redevelop and revitalize buildings in downtown Battle Creek. 25 Michigan Holdings LLC is, in turn, working with BCU to redevelop property adjacent to 17 W Michigan Avenue and as such, is seeking to demolish this building. The short-term goal is to create additional parking with a long-range goal of constructing a new building. 25 Michigan Holdings has submitted information supporting the fact that it is more economical to demolish the structure and to design a new one rather than to rehabilitate the existing, obsolete structure. Therefore, the Land Bank agrees to and supports its application to demolish 17 W Michigan Avenue.

If you have any questions, please contact me at 269-781-0859.

Sincerely,

A handwritten signature in black ink that reads "Krista Trout-Edwards".

Krista Trout-Edwards  
Executive Director



**HISTORICAL EXTERIOR PHOTO OF BUILDING**

